

DEPARTMENT OF THE TREASURY

TREASURY NEWS



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TREASURY TO REVIEW NEW FEATURES FOR U.S. CURRENCY DESIGN

Treasury Secretary Lloyd Bentsen announced Wednesday the Treasury Department's plans for modernizing U.S. currency.

A series of anti-counterfeit security features under consideration was presented to the House Banking Committee by members of the Advanced Counterfeit Deterrence Steering Committee, which oversees deterrence efforts. Secretary Bentsen re-convened the steering committee last year in response to the growing threat that advanced computer-based reprographic technologies pose to the integrity of U.S. currency.

The features authorized for testing and development include changes in the paper, ink and design of currency notes, including an enlarged off-center portrait on each denomination; a matching watermark; an enhanced security thread in a different location on each denomination; expanded use of microprinting in the design and on reflective material embedded in the paper, or planchettes; and interactive, or moire, patterns that turn into wavy, irregular patterns when copied.

Changes in the size, basic colors, portrait subjects or historic vignettes are not under consideration.

Since the technology available for counterfeiting is evolving, the final design will allow Treasury to include new deterrence features and discontinue those which lose their effectiveness as technology improves. The new security features will allow merchants and the public to more readily identify genuine notes. Covert features, which can be identified by machines, will enhance the banking system's ability to detect counterfeits.

The Treasury will not recall, devalue or demonetize any currency. As with past changes, old notes will remain fully valued legal tender and will be retired only when they are returned to the Federal Reserve. A final design is expected to be approved in 1995, with issuance of newly-designed \$100 bills about a year later. The issuance of new smaller denominations would follow.

More than \$350 billion in U.S. currency notes is in circulation, over half outside the United States.

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